



April Quarterly Candidate Reporting

April 1, 2015
1:00 – 2:30 p.m.

 FECConnect LIVE
2015–16 Election Cycle

April Reporting Webinar for Candidates

Objectives

- ▣ **Discuss testing the waters and registration**
- ▣ Review reporting schedules and requirements
- ▣ Describe Reports Analysis Division (RAD) review process, and RFAs
- ▣ Discuss common reporting errors and disclosure scenarios

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Should You Run?

- ▣ Individuals can “test the waters,” or explore if it is feasible to run for office by:
 - Conducting activities such as polling, making phone calls, or traveling around the district; and
 - Raising money to pay for this activity under the federal contribution limits.
- ▣ Individuals conducting solely “testing the waters” activity are not required to register and report, even if they raise/spend more than \$5,000.



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I. Discuss testing the waters and registration

A. Candidate Registration

1. Testing the Waters

- a) Individuals can “test the waters,” or explore if it is feasible to run for office, by conducting activities such as polling, making phone calls, or traveling around the district, and raising money to pay for this activity under the federal contribution limits.
- b) Individuals conducting solely “testing the waters” activity are not required to register and report, even if they raise/spend more than \$5,000.

You are Campaigning if You

- ▣ Make or authorize statements that refer to you as a candidate (“Smith in 2016” or “Smith for Senate”)
- ▣ Use general public political advertising to publicize your intention to campaign
- ▣ Raise more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established
- ▣ Conduct activities over a protracted period of time or shortly before the election
- ▣ Take action to qualify for the ballot



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- c) Examples of campaigning:
- i. Making or authorizing statements referring to yourself as a candidate (“Smith in 2014” or “Smith for Senate”).
 - ii. Using general public political advertising to publicize your intention to campaign.
 - iii. Raising more money than what is reasonably needed to test the waters or amass funds (seed money) to be used after candidacy is established.
 - iv. Conducting activities over a protracted period of time or shortly before the election.
 - v. Taking action to qualify for the ballot.

Becoming a Candidate

- ▣ Money raised/spent to test the waters doesn't count toward the registration and reporting threshold until you decide to run or actively campaign.
- ▣ Then testing the waters money counts towards the \$5,000 threshold
- ▣ All exploratory money must be reporting on the first FEC report



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- d) Once an individual becomes a candidate, funds raised or spent to test the waters apply to the \$5,000 threshold. All money raised and spent in the exploratory period has to be reported on the first FEC report (beginning coverage date of the report should be the date of first financial activity).


Scenario #1 – Testing the Waters (*Guide*, p. 1)

Example A

Scenario #1A: Testing the Waters

Sally Johnson spends \$12,000 of her own money to pay for polling to determine if she would be a viable Senate candidate in 2016.

- Is she a candidate?
- What does she need to file with the FEC?
- Does she have to follow contribution limits?

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On February 25, 2015, Sally Johnson, a respected and well-known business leader, spends \$12,000 of her own money to pay for polling in order to determine if she is a viable Senate candidate in 2016. As her friend and close advisor, you ensure that her poll is carefully worded and in no way insinuates that she is running.

- 1. Is Sally considered a candidate for 2016?**
- 2. What does she need to file with the FEC?**
- 3. Does she have to follow the federal contribution limits?**

Scenario #1, Example A Answers:

1. Is Sally considered a candidate for 2016?

Answer: No, Sally is not a candidate for 2016. Even though she spent over the \$5,000 threshold for candidacy, her activity is solely exploratory and she is not a candidate even if she raises or spends more than \$5,000.

2. What does she need to file with the FEC?

Answer: During her exploratory period, she is not required to register or report with the Commission.

3. Does she have to follow the federal contribution limits?

Answer: Yes, Sally must follow federal contribution limits. Any activity during an exploratory committee is reportable once she becomes a candidate for federal office. This means that all money raised must be raised according to the contribution limits.

Scenario #1 – Testing the Waters (*Guide*, p. 1)

Example B

Scenario #1B: Testing the Waters

After favorable polling, Sally has a radio interview and ends the interview by urging listeners to “Send Sally in 2016!” Now what?

- Is she a candidate?
- What does she need to file with the FEC?
- What does she need to report?



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After receiving favorable polling results, Sally gets excited. On February 5th, she impulsively ends an important radio interview by urging listeners to “Send Sally in 2016!” She calls you later that day to tell you that she is running for Senate. Since you are well-versed in campaign filing requirements, she asks you what she needs to do now.

1. Is Sally now considered a candidate for 2016?
2. What does she need to file with the FEC?
3. What does she need to file on the first report?

Scenario #1, Example B Answers:

1. Is Sally now considered a candidate for 2016?

Answer: Before the radio announcement, she was testing the waters. Now that she has made statements referring to herself as a candidate, she is no longer testing the waters. Since she has already spent over \$5,000, she is immediately considered a candidate.

2. What does she need to file with the FEC?

Answer: You advise Sally that she needs to register as a candidate by filing an FEC Form 2 and authorize a Principal Campaign Committee by filing the FEC Form 1.

3. What does she need to file on the first report?

Answer: Sally became a candidate on February 5, 2015. This means her first report will be the 2015 April Quarterly Report, which usually covers activity from 1/1/2015-3/31/2015. However, you remind Sally that she still has to report her exploratory activity, and this includes any contributions she raised, any money she fronted, and any expenditures she made. You tell her that since the April Quarterly will be her first report and some of her exploratory activity happened outside of those coverage dates, she should extend the beginning coverage date to include her first date of financial activity.

Sally's First FEC Report

Became a candidate on Feb 5; First activity on Dec 24

4. TYPE OF REPORT (Choose One)

(a) Quarterly Reports:

☒ April 15 Quarterly Report (Q1)

☐ July 15 Quarterly Report (Q2)

☐ October 15 Quarterly Report (Q3)

☐ January 31 Year-End Report (YE)

☐ Termination Report (TER)

(b) 12-Day PRE-Election Report for the:

☐ Primary (12P) ☐ General (12G) ☐ Runoff (12R)

☐ Convention (12C) ☐ Special (12S)

Election on / / in the State of

(c) 30-Day POST-Election Report for the:

☐ General (30G) ☐ Runoff (30R) ☐ Special (30S)

Election on / / in the State of

12/24/2014

Covering Period / / through / /

01 / 01 / 2015 through 03 / 31 / 2015

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Candidate Registration

**FEC FORM 2
STATEMENT OF CANDIDACY**

1. (a) Name of Candidate (in full)
(b) Address (number and street) ☐ Check if address changed
(c) City, State, and ZIP Code

2. Candidate's FEC Identification Number

3. Is This Statement ☐ New (N) OR ☐ Amended (A)

4. Party Affiliation 5. Office Sought 6. State & District of Candidate

DESIGNATION OF PRINCIPAL CAMPAIGN COMMITTEE

7. I hereby designate the following named political committee as my Principal Campaign Committee for the _____ election(s).
(year of election)

NOTE: This designation should be filed with the appropriate office listed in the instructions.


(a) Name of Committee (in full)
(b) Address (number and street)
(c) City, State, and ZIP Code

DESIGNATION OF OTHER AUTHORIZED COMMITTEES
(including Joint Fundraising Representatives)

8. I hereby authorize the following named committee, which is NOT my principal campaign committee, to receive and expend funds on behalf of my candidacy.

NOTE: This designation should be filed with the principal campaign committee.

(a) Name of Committee (in full)

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2. **FEC Form 2**
File Statement of Candidacy (FEC Form 2) within 15 days after candidate raises/spends \$5,000.
3. **Requirements**
Candidates must remember to fill out their name, mailing address, if the statement is new or an amendment, party affiliation, office sought, state and district, the designation of their principal campaign committee and the election year.

Committee Registration

The diagram shows a portion of the FEC Form 1, Statement of Organization. Three black arrows point to specific sections of the form:

- Section 1: NAME (full)** - Annotation: "Include candidate's name in PCC's name"
- Section 2: ADDRESS (number and street)** - Annotation: "Provide current mailing address"
- Section 3: COMMITTEE'S EMAIL ADDRESS** - Annotation: "Email required for all committees"

Other visible sections include:

- Section 4: COMMITTEE'S WEB PAGE ADDRESS (URL)**
- Section 5: COMMITTEE'S MAILING ADDRESS**


At the bottom left of the form is the logo for "FECConnect LIVE 2015-16 Election Cycle". At the bottom right is the text "April Reporting Webinar for Candidates".

B. Statement of Organization (11 CFR 102.1(d) and 102.2)

1. Name and Address of Committee

- a) Use Committee's Official Name on:
 - i. FEC reports and statements.
 - ii. Disclaimer notices for public advertising.
- b) Street Address, Email, Website
 - i. Email required for electronic filers; necessary to receive RFAs, FEC report notices, and other courtesy materials. Up to two email addresses can now be provided (both will be used for emailing RFAs).
 - ii. URL required if committee has web page.

Committee Registration



FEC Form 1 (Revised 02/2009) Page 2

5. TYPE OF COMMITTEE

Candidate Committee:

(a) ☒ This committee is a principal campaign committee. (Complete the candidate information below.)

(b) ☐ This committee is an authorized committee, and is NOT a principal campaign committee. (Complete the candidate information below.)

Name of Candidate _____

Candidate Party Affiliation _____

Office Sought: ☐ House ☐ Senate ☐ President State _____

District _____

(c) ☐ This committee supports/opposes only one candidate, and is NOT an authorized committee.

Name of Candidate _____

Party Committee:

(d) ☐ This committee is a _____ (National, State or subordinate) committee of the _____ (Democratic, Republican, etc.) Party.


Political Action Committee (PAC):

(e) ☐ This committee is a separate segregated fund. (Identify connected organization on line 6.) Its connected organization is a:

☐ Corporation ☐ Corporation w/o Capital Stock ☐ Labor Organization

☐ Membership Organization ☐ Trade Association ☐ Cooperative

☐ In addition, this committee is a Lobbyist/Registrant PAC.

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2. **Type of Committee**
Fill in name of candidate, party affiliation and state and district information.
3. **List all Joint Fundraising Representatives**

Committee Registration

The screenshot shows a portion of the FEC Committee Registration form. Two large black arrows point to specific sections. The first arrow points to section 8, 'Treasurer', which includes fields for 'Full Name of Treasurer', 'Mailing Address', 'Title or Position', 'CITY', 'STATE', 'ZIP CODE', and 'Telephone number'. The second arrow points to section 9, 'Banks or Other Depositories', which includes fields for 'Name of Bank, Depository, etc.', 'Mailing Address', 'CITY', 'STATE', and 'ZIP CODE'. The form is titled 'FECConnect LIVE 2015-16 Election Cycle' and 'April Reporting Webinar for Candidates'.

8. Treasurer: List the name and address (phone number -- optional) of the treasurer of the committee; and the name and address of any designated agent (e.g., assistant treasurer).

Full Name of Treasurer

Mailing Address

CITY STATE ZIP CODE

Title or Position Telephone number

9. Banks or Other Depositories: List all banks or other depositories in which the committee deposits funds, holds accounts, rents safety deposit boxes or maintains funds.

Name of Bank, Depository, etc.

Mailing Address

CITY STATE ZIP CODE

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4. Treasurer

Enter the name and address of the committee's treasurer.

5. Banks or Other Depositories

The committee must provide the name and mailing address of any bank, repository, or depository where the committee holds funds.

Statement of Organization

- ▣ Amendments
 - File within 10 days after change in information
 - E-filers submit a complete Form 1
 - Paper filers only complete portions requiring changes

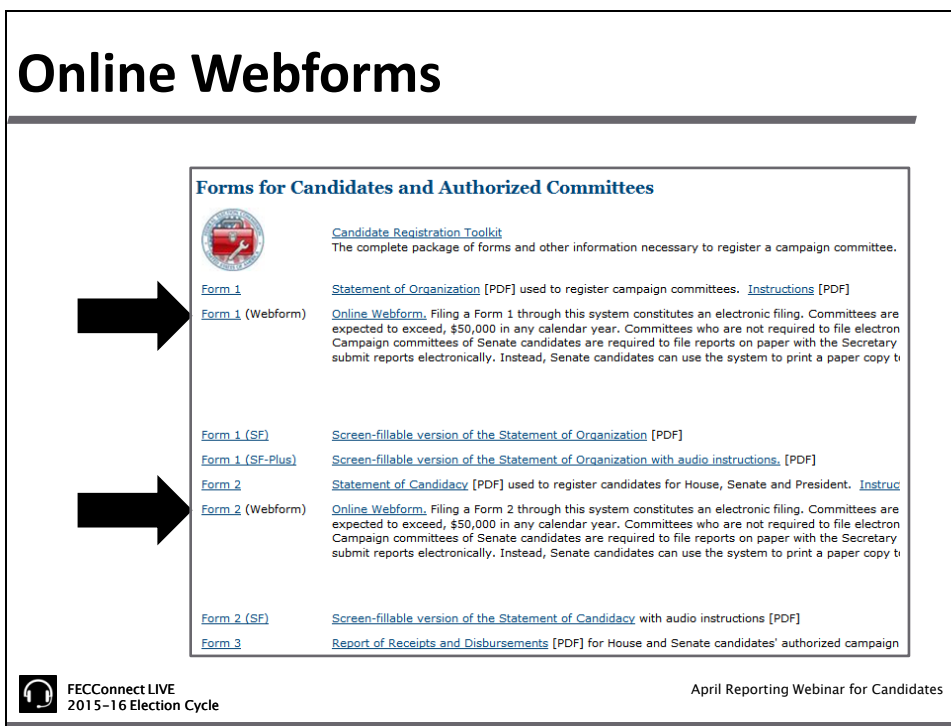


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6. Amendments

Amend Statement of Organization when necessary within 10 days of change. Remember to notify the FEC of address and treasurer changes by filing an amended Form 1.

Online Webforms




Forms for Candidates and Authorized Committees

 [Candidate Registration Toolkit](#)
The complete package of forms and other information necessary to register a campaign committee.

[Form 1](#) [Statement of Organization](#) [PDF] used to register campaign committees. [Instructions](#) [PDF]
[Form 1 \(Webform\)](#) [Online Webform](#). Filing a Form 1 through this system constitutes an electronic filing. Committees are expected to exceed, \$50,000 in any calendar year. Committees who are not required to file electron Campaign committees of Senate candidates are required to file reports on paper with the Secretary submit reports electronically. Instead, Senate candidates can use the system to print a paper copy to

[Form 1 \(SF\)](#) [Screen-fillable version of the Statement of Organization](#) [PDF]
[Form 1 \(SF-Plus\)](#) [Screen-fillable version of the Statement of Organization with audio instructions](#). [PDF]
[Form 2](#) [Statement of Candidacy](#) [PDF] used to register candidates for House, Senate and President. [Instruc](#)
[Form 2 \(Webform\)](#) [Online Webform](#). Filing a Form 2 through this system constitutes an electronic filing. Committees are expected to exceed, \$50,000 in any calendar year. Committees who are not required to file electron Campaign committees of Senate candidates are required to file reports on paper with the Secretary submit reports electronically. Instead, Senate candidates can use the system to print a paper copy to

[Form 2 \(SF\)](#) [Screen-fillable version of the Statement of Candidacy](#) with audio instructions [PDF]
[Form 3](#) [Report of Receipts and Disbursements](#) [PDF] for House and Senate candidates' authorized campaign

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7. Online Webforms

The FEC has developed webforms that will allow most federal candidates and committees to register with the Commission online (as well as amend registration forms already submitted). The Statement of Organization (Form 1) and Statement of Candidacy (Form 2) webforms are available at <http://www.fec.gov/info/forms.shtml>.

Objectives

- ▣ Discuss testing the waters registration
- ▣ **Review reporting schedules and requirements**
- ▣ Describe Reports Analysis Division (RAD), review process, and RFAIs
- ▣ Discuss common reporting errors and disclosure scenarios



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2015 Quarterly Reporting Schedule

Reports	Coverage Dates	Due Date
April Quarterly	01/01/2015 - 03/31/2015	04/15/2015
July Quarterly	04/01/2015 - 06/30/2015	07/15/2015
October Quarterly	07/01/2015 - 09/30/2015	10/15/2015
Year-End	10/01/2015 - 12/31/2015	01/31/2016



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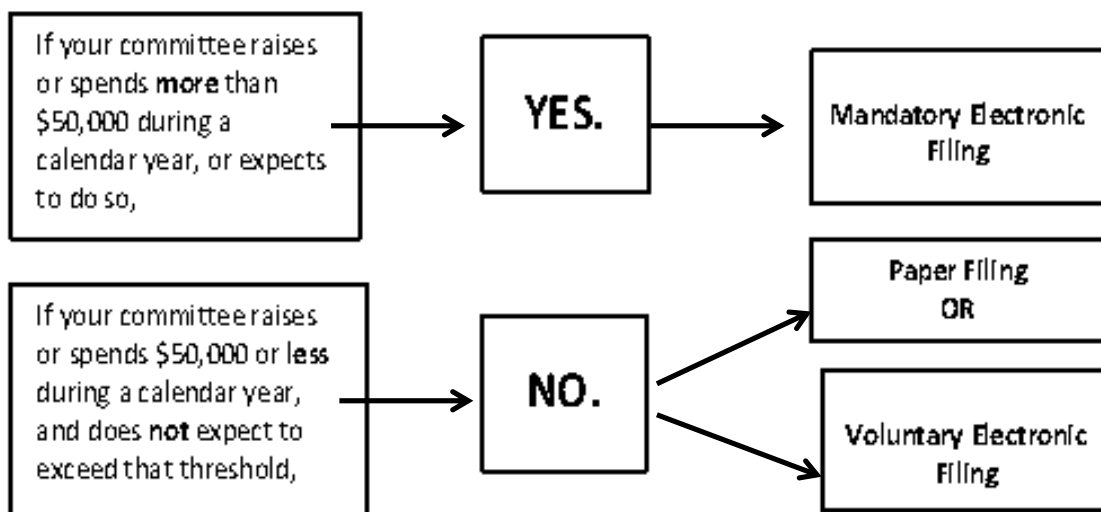
II. Reporting - Timely Filing Schedule and Reporting Dates

- A. **Quarterly Filing:** Quarterly filing is mandatory for campaigns (House, Senate, Presidential). Presidential committees are required to file monthly during election years.

1. Authorized committees file quarterly reports in all years, with quarterly reports due **April 15**, July 15, October 15 and January 31.
2. File pre-election reports in election years.
 - a) File pre-primary (or pre-Convention or pre-Runoff if applicable) report due 12 days before election.
 - b) If in general election, file Pre-General report due 12 days before general.
 - c) File Post-General Report, due 30 days after general.
 - d) Reporting period always begins the day after close of books of last report filed.

Tip: You can find information on reporting deadlines by visiting http://www.fec.gov/info/report_dates.shtml

Are you Required to File Electronically?



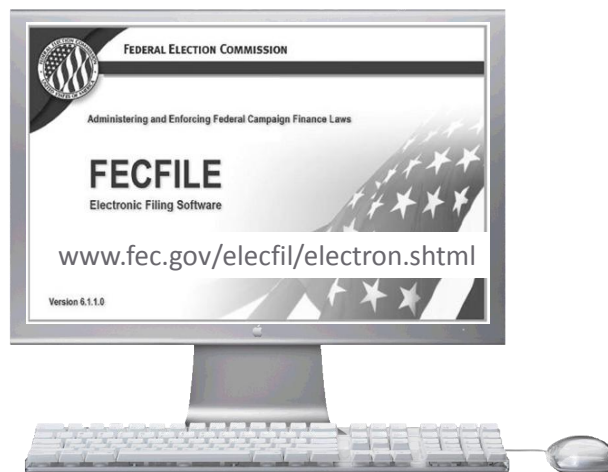
NOTE: Senate campaigns must file their FEC reports on paper, but may submit unofficial copies of those reports electronically.



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Electronic Filing



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B. Electronic vs. Paper Reporting (Campaign Guide for Congressional Candidates and Committees (“Guide”), pp. 83-88)

1. Who Must E-File?

House campaign committees that raise or spend more than \$50,000 in a calendar year, or that have reason to expect to do so.

2. Who is Exempt from Mandatory E-Filing?

- a) Senate campaigns
- b) All House campaign committees that do not meet the \$50,000 threshold above.

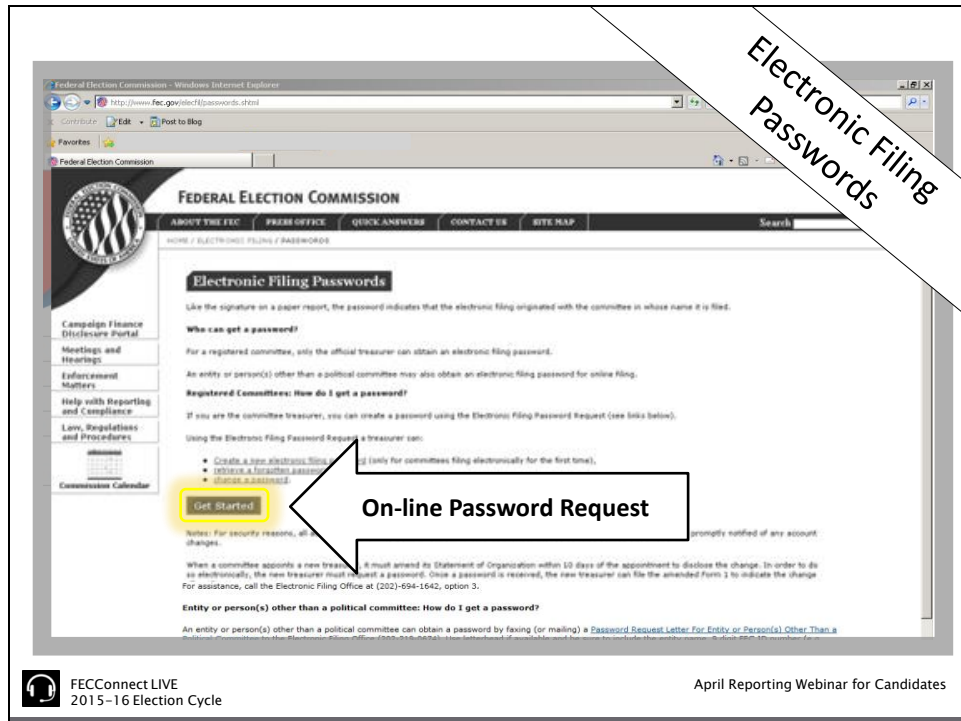
3. Exceeding Threshold for E-Filing

- a) Once committee exceeds threshold, it begins filing electronically with the next regular report.
- b) Committee must continue to file electronically for the next two calendar years (January through December), unless it is a House campaign committee that has \$50,000 or less in net debts outstanding on January 1 following the general election, and that anticipates terminating prior to January 1 of the next election year.

4. Voluntary Filing

- a) House campaign committees that aren't required to e-file, but choose to anyway, must continue to do so for the remainder of the calendar year.
- b) Senate campaigns must still file paper copy.
- c) New committees with no prior data on which to base calculations have reason to expect to exceed threshold if they either:

- i. Receive contributions or make expenditures that exceed \$12,500 in first quarter of calendar year, or
 - ii. Receive contributions or make expenditures that exceed \$25,000 in first half of the calendar year.
 - iii. Threshold calculated on a per-committee basis; affiliated committees calculate their own contributions and expenditures separately for purposes of determining if they have met mandatory e-filing threshold.
5. **Paper Filing by E-Filer**
House campaign committees that submit a report on paper that should have been filing electronically will be treated as non-filers and may be subject to enforcement actions (including Administrative Fines).
6. **To meet the filing deadline, electronically filed reports must be received and validated by the Commission's computer system on or before 11:59 p.m. (Eastern Time) on the filing date.**



- C. **Electronic Filing** (Guide, pp. 83-85)
1. **Passwords Required** - Before you can electronically file, you will have to obtain a password. You cannot file without one.
 2. **Who Can Get a Password?**
Only the official treasurer can obtain an electronic filing password. It is important that the committee has provided a valid email address on its Statement of Organization, as a validation email will be sent out the Committee.

3. **How Do You Get a Password?**
 - a) Most committees may obtain or change their password online at <http://www.fec.gov/electfil/passwords.shtml>.
 - b) Existing committees that have not previously used the online system should contact the Electronic Filing Office for assistance at 202-694-1307.
4. **How Long Does it Take?**
 - a) Passwords can now be obtained in just a few minutes online.
 - b) We recommend you request your password as early in the process as possible, in case any issues arise.
5. **The Password is Case-Sensitive.**
6. **Remember your Password** – If you forget it, you will have to request a new one.
7. For more information, visit <http://www.fec.gov/electfil/electron.shtml>.

FEC Form 3

- ▣ Used by House and Senate filers
- ▣ Cover Page – shows report type/coverage dates
- ▣ Summary Page – overview of receipts and disbursements
- ▣ Detailed Summary Pages – overview of receipts and disbursements by category
- ▣ Schedules – show detailed info by line number

Detailed Summary Page: Receipts

DETAILED SUMMARY PAGE
of Receipts
Page 3

FEC Form 3 (Revised 02/2003)

Write or Type Committee Name

Report Covering the Period: From: M / M / Y To: M / M / Y

I. RECEIPTS

	COLUMN A Total This Period	COLUMN B Election Cycle-to-Date
11. CONTRIBUTIONS (other than loans) FROM:		
(a) Individuals/Persons Other Than Political Committees		
(i) Itemized (use Schedule A).....		
(ii) Unitemized.....		
(iii) TOTAL of contributions from individuals.....		
(b) Political Party Committees.....		
(c) Other Political Committees (such as PACs).....		
(d) The Candidate.....		
(e) TOTAL CONTRIBUTIONS (other than loans) (add Lines 11(a)(ii), (b), (c), and (d)).....		
12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES.....		



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Reporting Receipts

- ☐ Itemize regardless of amount:
 - Contributions from party committees / organizations
 - Contributions from other political committees
 - Transfers
 - Loans
- ☐ All other receipts:
 - Itemize once they exceed \$200 when aggregated with other receipts from that same source during an election cycle



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D. Report Receipts on the Appropriate Line Number

1. Itemize Regardless of Amount:

- a) Contributions from political committees - Line 11b or 11c
- b) Transfers from affiliated authorized committees - Line 12
- c) Loans received – Line 13a or 13b

2. Threshold for Other Categories

Itemize all other receipts once they exceed \$200 when aggregated with other receipts from that same source during the election cycle.

Detailed Summary Page: Disbursements



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Reporting Disbursements

- ▣ Itemize regardless of amount:
 - Transfers to affiliated committees
 - Loan repayments
 - Loans made
 - Contributions made to other federal candidates
 - Refunds to other political committees
- ▣ All other disbursements:
 - Itemize once they exceed \$200 in aggregate during an election cycle



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E. Report Disbursements on the Appropriate Line Number

1. Itemize Regardless of Amount:

- a) Transfers to affiliated authorized committees – Line 18
- b) Loan repayments – Line 19
- c) Contributions made to other federal candidates/other political committees – Line 21

2. Threshold for Other Disbursement Categories

Itemize all other disbursements once they exceed \$200 when aggregated with other disbursements to the same payee during the election cycle.

Purpose of Disbursement

- ▣ Rule of thumb: Could reader discern why a payment was made simply by reading the description provided?
- ▣ Non-exhaustive lists available on FEC.gov at:
<http://www.fec.gov/law/policy.shtml#purpose>

Purpose of Disbursement

Entry must be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment.

Full Name (Last, First, Middle Initial) A. ABC Group		Date of Disbursement 02 / 15 / 2015	
Mailing Address 123 Money Lane		Amount of Each Disbursement this Period 10,000.00	
City City,	State ST	Zip Code 00000	
Purpose of Disbursement FEC Compliance Consulting		Category/ Type	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President	Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		
State:	District:		



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F. Purpose of Disbursement

1. FEC regulations require that the “purpose of disbursement” entry for each disbursement be sufficiently specific, when considered with the identity of the recipient, to provide a clear reason for the payment. 11 CFR 104.3(b)(3) and (4).
2. Policy statement includes non-exhaustive lists of acceptable and unacceptable “purpose of disbursement” descriptions intended to provide additional guidance to the regulated community and to foster consistency among filers.
3. As a general guideline, the statement suggests that filers consider whether a person unaffiliated with the campaign/committee could discern why a payment was made by reading the description they have provided.
4. List is updated periodically and made available online at <http://www.fec.gov/law/policy.shtml#purpose>.

Disbursements Requiring Additional Info

- Certain disbursements require memo itemization to disclose the original vendor, date, amount, address, and purpose

- Staff reimbursements
- Candidate in-kind contributions
- Credit card payments
- Payroll company payments

SCHEDULE B (FEC Form 3) ITEMIZED DISBURSEMENTS		FOR LINE NUMBERS: (check only one) 17 18 19a 19b 20a 20b 21	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committees.			
NAME OF COMMITTEE (in full) Committee to Elect John Smith			
Full Name (Last, First, Middle Initial) A. Credit Card Company		Date of Disbursement 03 28 2015	
Mailing Address 12 Múche Ct.		Amount of Each Disbursement this Period 1,300.00	
City Philadelphia State PA Zip Code 00000		Category/Type 1,300.00	
Purpose of Disbursement Credit Card Payment - See Below		Candidate Name	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: Delaware			
Full Name (Last, First, Middle Initial) B. Southwest Airlines		Date of Disbursement 02 16 2015	
Mailing Address 777 Jetstream Way		Amount of Each Disbursement this Period 1,300.00	
City Dulles State VA Zip Code 00000		Category/Type 1,300.00	
Purpose of Disbursement Airline Tickets		Candidate Name	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: Delaware			

**MEMO
Credit Card Payment**



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G. Disbursements Requiring Additional Itemization

Certain disbursements require supporting information that can be reported as a memo entry. The supporting memo entry must include the original vendor, date, amount, address, and purpose.

1. Staff Reimbursements
2. In-Kind Contributions from the Candidate
3. Credit Card Payments

Objectives

- ▣ Discuss testing the waters registration
- ▣ Review reporting schedules and requirements
- ▣ **Describe Reports Analysis Division (RAD), review process, and RFAs**
- ▣ Discuss common reporting errors and disclosure scenarios



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Three Branches of RAD

- ▣ **Authorized Branch – 15 analysts**
 - Review all federal candidate committee reports
 - 2 month training program and mentored for 6-12 months
- ▣ **Party Non-Party Branch – 20 analysts**
 - Review all Party and PAC reports
 - 4-5 month training program; mentored for 6-12 months
- ▣ **Compliance Branch – 4 analysts**
 - Implement the Non-Filer and Administrative Fines programs



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III. RAD Review Process and Requests for Additional Information (RFAs)

A. Organization of RAD

1. Three Branches

- a) **Authorized Branch** – reviews federal candidate committee reports – 15 analysts. New analysts undergo a 2 month training process and are then mentored by a more senior analyst for 6-12 months.
- b) **Party/Non-Party Branch** – reviews all party committee and PAC reports – 20 analysts. New analysts undergo a 4-5 month training process and are then mentored by a more senior analyst for 6-12 months.
- c) **Compliance Branch** – serves a quality control function for the review branches and implements the Non-Filer and Administrative Fine Programs – 4 analysts.
- d) Recently began cross training analysts to review reports filed by all committee/entity types.

Authorized Branch Analysts

- ▣ Each analyst is assigned 200-350 committees
- ▣ House and Senate campaigns assigned by state
- ▣ Presidential and Delegate committees are assigned to senior analysts
- ▣ Review electioneering communication and independent expenditure filings



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2. Committee Assignments

- a) Authorized Branch analysts are assigned anywhere from 250 to 400 committees and filing entities (House, Senate, Presidential, Delegate, Joint Fundraising, Independent Expenditures and Electioneering Communications).
- b) House and Senate campaign committees are assigned by state.
- c) Presidential and Delegate committees are assigned to more senior analysts.
- d) All others are assigned randomly.

Analyst Responsibilities

- ▣ Review assigned committees' reports by established deadlines
- ▣ Assist committees by phone and log calls
- ▣ Meet with committees by request
- ▣ Participate in FEC conferences and roundtables
- ▣ Special projects



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3. Analyst Responsibilities

- a) Review all reports filed by assigned committees by established deadlines.
- b) Customer service role – assist committees on the phone on a daily basis and log phone calls. Meet with Committees by request.
- c) Participate in FEC Conferences and Roundtables.
- d) Special Projects

RAD Review and Referral Policy

- ▣ RAD reviews according to a policy with confidential thresholds that is approved by the Commission.
- ▣ The Commission reassesses the policy every election cycle with input from RAD and other offices (i.e., OGC).



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B. RAD Review of Reports

1. RAD Review and Referral Policy

- a) Policy is reassessed every election cycle and revisions/changes made based on input from RAD and other offices (such as OGC), and Commissioners. A redacted version of the RAD Review and Referral Policy can be found on the RAD web page.

RAD Review and Referral Policy

- ▣ Categories of review include:
 - ▶ Prohibited, Excessive and Impermissible Contributions
 - ▶ Mathematical Discrepancies
 - ▶ Failure to Provide Supporting Schedules
 - ▶ Improper Itemization of Individual Contributions
 - ▶ Improper Itemization of Disbursements



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2. Categories of Review

- a) Internal policy contains categories of review the analyst checks, such as: Prohibited, Excessive and Impermissible Contributions, Mathematical Discrepancies, Failure to Provide Supporting Schedules and Failure to Properly Itemize Contributions from Individuals and Disbursements, to name a few.
- b) Policy has established thresholds for making determinations on whether to send a Request for Additional Information (RAI).
- c) Thresholds are confidential.

RFAI Thresholds

- ▣ Thresholds are applied on a per report basis.
Exception: increased and decreased activity on amended reports.
 - If recurring issues on multiple reports, committee may receive multiple RFAs on same topic.
 - RAD does not consider previous responses to RFAs.
 - ▣ Exception: Responses relating to best efforts procedures apply for the two-year election cycle
- ▣ It's possible to see an issue questioned on one report, but not on another.



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3. **Review is conducted and thresholds are applied on a per report basis, meaning the thresholds are applied to each report reviewed.**
- a) This means a committee may receive a RFAI identifying the same issue already addressed in response to a RFAI referencing a different report.
 - b) Exceptions include outlining Best Efforts procedures which would apply to the two-year cycle, and responses relating to foreign address inquiries that indicate safe harbor guidelines are followed for all contributions apply for the two-year election cycle.
 - c) There may be several issues that are aggregated together to meet a single threshold, so it's possible to see an issue questioned on one report that isn't included in an RFAI on for another report.

Requests for Additional Information

- ▣ If internal thresholds are met, analyst sends Request for Additional Information (RAI); response due date in upper right corner.
- ▣ No extensions granted.
- ▣ Responses are assessed by analysts.
- ▣ Analysts do not reply to committee responses.



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C. Request for Additional Information

1. If internal thresholds are met, an RFAI is sent, with a Response Due Date in the upper right hand corner of the letter. Extensions are not granted. The committee analyst's name and contact telephone number are also provided in the letter.

Tip: You can find out who your analyst is by visiting:
<http://www.fec.gov/rad/index.shtml>.

Request for Additional Info

Response Due Date

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

MATT WILLIAMS, TREASURER
BRYCE HARPER FOR CONGRESS
200 NATIONALS WAY - SUITE 34
POTOMAC, MD 20800

October 25, 2014

Response Due Date
November 29, 2014

IDENTIFICATION NUMBER: C00123456

REFERENCE: October Quarterly Report (7/1/2014-9/30/14)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 1 item(s):

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Request for Additional Info

Analyst's Phone Number

Analyst's Name

not be considered.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended.

If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1166.

Sincerely,

Bradley Matheson
Bradley Matheson
Senior Campaign Finance Analyst
Reports Analysis Division

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Requests for Additional Information

- ▣ RAD is now emailing RFAs.
 - Opt-Out Option: File a Form 99 to request that RFAs be mailed via USPS.
- ▣ Committees can now disclose up to two email addresses on Form 1.



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How to Respond to RFAs

- ▣ File an amendment to add, change or delete actual entries on FEC report.
- ▣ Use miscellaneous text submission (Form 99) for narrative responses that do not affect actual entries within a report (e.g., demonstrating best efforts).



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2. **Responses are assessed by the analysts and in some cases, team leaders.**
 - a) Analysts do not reply to responses.

- b) Contact is not made with committees in every case when a response is not sufficient. Further explanation below.
- c) Committees are encouraged to contact their assigned analyst prior to responding if unsure about how to respond or after a response is filed to ensure an adequate response is received.
- d) Keep in mind that analysts can't make legal conclusions or give guidance on a legal conclusion being made by a committee. In addition, they cannot determine what category your activity falls under (i.e., independent expenditures or coordinated party expenditures).
- e) In some cases, RAD consults with OGC before sending a RFAI and when making a response assessment.

How to Respond to RFAs

- ▣ File an amendment to add, change or delete actual entries on FEC report.
- ▣ Use miscellaneous text submission (Form 99) for narrative responses that do not affect actual entries within a report (e.g., demonstrating best efforts).



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3. **Best way to respond to RFAs depends on type of information that needs to be provided.**

- a) File an **amendment to a report** when changing information that affects entries on a report. This would include additions, changes or deletions.
- b) File a **Miscellaneous Text Submission (Form 99)** for narrative responses that do not affect actual entries within a report. (For example, when outlining procedures for “Best Efforts” in obtaining contributor information.)

OGC & ADR Referrals

- ▣ Policy includes thresholds for further Commission action.
- ▣ Adequate and timely responses may be considered.
- ▣ RAD calls committee before referring to OGC or ADRO to explain RFAI and request response.



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D. Referrals to OGC (Office of General Counsel) and ADRO (Alternative Dispute Resolution Office)

1. Internal policy includes thresholds for determining whether a matter should be referred to OGC or ADRO.
2. An adequate response is required by the timeframe given to prevent the matter from being referred.
3. Committee will receive a phone call from RAD prior to a referral to ADRO or OGC to explain RFAI and request a response.

Audit Consideration Factors

- ▣ Level of financial activity
- ▣ Responses to RFAs
 - ✓ Late or no response
 - ✓ Inadequate response
- ▣ Election results (Authorized Committees only)
- ▣ Number of amendments filed is NOT a factor
- ▣ Number of RFAs received is NOT a factor if responses were adequate and timely



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E. Referrals to the Audit Division

1. Factors for making referrals to the Audit Division
 - a) Level of financial activity
 - b) Responses to RFAs
 - i. Late or no response
 - ii. Inadequate responses
 - c) **For Authorized Committees only** - Election Results
2. The number of amendments filed is not a factor.
3. The number of RFAs is not a factor if responded to adequately and on time.
4. Committees should ensure that they have provided the most current mailing address, email address and phone numbers on their Statement of Organization (FEC Form 1). Often RFAs are returned by the Post Office due to an incorrect mailing address. In addition, RAD began sending RFAs via email in October 2011, so it's important to ensure a valid email address is provided on FEC Form 1. Committees have the option to instead receive RFAs on paper through the mail and can indicate this preference by filing Form 99.

IV. Disclosure Scenarios and Common Reporting Histories

Objectives

- ▣ Discuss testing the waters registration
- ▣ Review reporting schedules and requirements
- ▣ Describe Reports Analysis Division (RAD), review process, and RFAs
- ▣ **Discuss common reporting errors and disclosure scenarios**



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Avoid Common Mistakes

- ▣ Check for math errors
- ▣ Include all required schedules, all information
- ▣ Provide all information required by schedule
- ▣ Consult form instructions available on FEC.gov
- ▣ Designate contributions
- ▣ Only enter contributors into reporting software once to avoid aggregation problems
- ▣ Ensure correct committee name disclosed for contributions made/received



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Contact Information

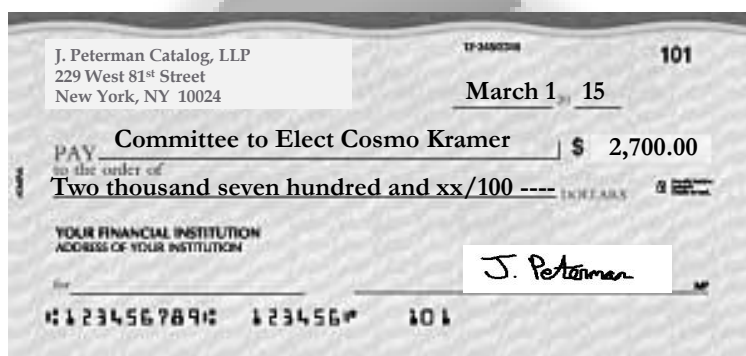
- Ensure current contact information (mailing address, email address, and phone number) appear on Statement of Organization (FEC Form 1)
- Up to two email addresses may be listed



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Scenario #2: Partnerships



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Partnership Contributions – 11 CFR 110.1 (a)-(e)

- **Dually Attributed**

- Contributions are attributed both to the partnership (or LLC) and also to individual partners based on their share of the profits/losses.
- Partnerships and LLCs must provide campaign with written statement indicating attribution to partners.
- No amount of contribution can be attributed to any corporate partners.
- Unlike other joint contributions, the signature of each contributing partner is not required. 110.1(k)(1).

Contribution from Partnerships/LLCs

- ▣ Partnerships/Non-corporate LLCs may contribute \leq \$2,700 per election
- ▣ Dual Attribution
 - Counts as contribution from partnership and from non-corporate members
 - Allocation based on ownership stake or other agreement among partners

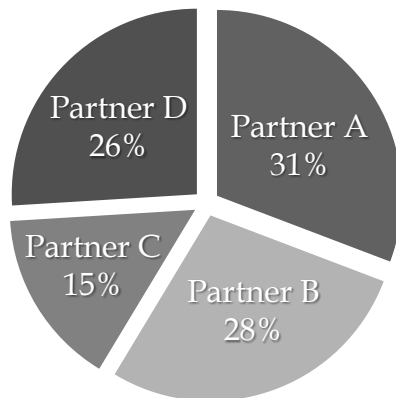


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Contribution from Partnerships/LLCs

Example: Dual Attribution



Partner A	\$837
Partner B	\$756
Partner C	\$405
Partner D	\$702
<hr/>	
Partnership	\$2,700



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- **Types of LLCs**
 - **LLC Treated as Partnership** - treated as partnership for tax purposes, partnership rules above apply.
 - **LLC Treated as Corporation** - If treated as corporation for tax purposes, corporate prohibition on contributions applies.

Scenario #2: Partnerships

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

Use separate schedule(s) for each category of the Detailed Summary Page

LINE NUMBER: ☒ 11a ☐ 11b ☐ 11c ☐ 11d ☐ 11e

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in Full)
Committee to Elect Cosmo Kramer

Full Name (Last, First, Middle Initial)
J. Peterman Catalog, LLP

Mailing Address
229 West 81st Street
New York **NY** **10024**

FEC ID number of contributing federal political committee
C

Name of Employer
J. Peterman Catalog

Occupation
Owner/Founder

Receipt For:
☒ Primary ☐ General

Election Cycle-to-Date
2,700.00

Date of Receipt
03 **01** **2015**

Amount of Each Receipt this Period
2,700.00

See partnership attribution below

Full Name (Last, First, Middle Initial)
John Peterman

Mailing Address
229 West 81st Street
New York **NY** **10024**

FEC ID number of contributing federal political committee
C

Name of Employer
J. Peterman Catalog

Occupation
Owner/Founder

Receipt For:
☒ Primary ☐ General

Election Cycle-to-Date
837.00

Date of Receipt
03 **01** **2015**

Amount of Each Receipt this Period
837.00

MEMO
Partnership Attribution

Full Name (Last, First, Middle Initial)
Elaine Benes

Mailing Address
229 West 81st Street
New York **NY** **10024**

FEC ID number of contributing federal political committee
C

Name of Employer
J. Peterman Catalog

Occupation
Senior Editor

Receipt For:
☒ Primary ☐ General

Election Cycle-to-Date
756.00

Date of Receipt
03 **01** **2015**

Amount of Each Receipt this Period
756.00

MEMO
Partnership Attribution

Form 3: Schedule A, Line 11(a)(i)

- Report total from partnership
- Use memo entries for individual partners

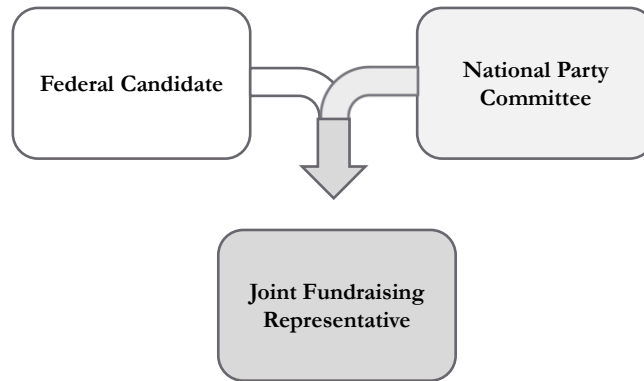


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- **Reporting Partnership Contributions**
 - Itemized on Schedule A for Line 11(a)(i).
 - The campaign reports the contribution from entity (partnership/LLC) and includes notation in the Receipt this Period box indicating, "See partnership attribution below."
 - Use MEMO entries to indicate attribution to partners/members that aggregate over \$200 for the election cycle. Do NOT add them again to the totals.
- For more information, view the FEC's Partnership Brochure:
<http://www.fec.gov/pages/brochures/partner.shtml>

Scenario #3: Joint Fundraising



Joint Fundraising

- ▣ Election-related fundraising held jointly by campaign + one or more other committees
- ▣ Joint Fundraising Representative (JFR)
 - Collects/deposits joint fundraising contributions
 - Pays expenses and transfers proceeds to participants
 - Participants amend Form 1 to designate JFR as an authorized committee
- ▣ Written Agreement
 - Outlines allocation formula for proceeds and expenses among all participants

Joint Fundraising – 11 CFR 102.17

Election-related fundraising conducted by a campaign committee and one or more other political committees or unregistered organizations.

- **Joint Fundraising Representative**
 - All participants must either create a new committee (recommended) or select one of the participating federal political committees to act as joint fundraising representative (JFR).
 - New committee established as JFR must register with the FEC and must include the name of each participating federal candidate in the new committee's name.
 - Participants amend FEC Form 1 accordingly to designate JFR as an authorized committee.
 - Responsible for collecting and depositing joint contributions, paying expenses and allocating net proceeds to all participants.
 - Must keep records and report overall joint fundraising activity.
- **Screening Contributions**
 - JFR and participants must screen contributions to make sure they are neither prohibited nor in excess of contribution limits.
 - Maximum limit = total amount he/she may contribute to all participants, without exceeding any limits.
- **Joint Fundraising Agreement**

Participants agree to formula to allocate proceeds and expenses and sign a written agreement.

 - **Reporting Tips for Campaign as Participant** (Guide, pp. 137)
 - Upon receipt of net proceeds, campaign reports its share as a transfer-in on Form 3 for Line 12 (Transfers from Other Authorized Committee).
 - In addition, campaign also must itemize contributions from the original donors making up its share of the gross receipts as MEMO entries on Schedule A (only contributions aggregating over \$200 for the election cycle for the contributor require itemization).

SCENARIO #3 -- Joint Fundraising Transfers
(*Guide*, Appendix C, pp. 137-144)

Representative Cosmo Kramer and Senator George Costanza decide to hold an event on February 20, 2015, in Candidate Kramer's district for their 2016 campaigns. They plan to divide the expenses and proceeds equally and have designated the "Kramer/Costanza Victory Fund" as their joint fundraising representative.

At the event, Kramer/Costanza Victory Fund collects a total of \$5,400. The only contributions came from two of Candidate Kramer's high school friends, Lloyd Braun and David Puddy. Each made a \$2,700 contribution at the event. Since the proceeds were split evenly (50%) between Representative Kramer and Senator Costanza, Mr. Braun and Mr. Puddy each made a \$1,350 contribution to Representative Kramer and a \$1,350 contribution to Senator Costanza.

Kramer/Costanza Victory Fund incurred \$1,000 in expenses to put on the February 20th event. As a result, the Kramer for Congress Committee received a check from the Kramer/Costanza Victory Fund on February 23, 2015, in the amount of \$2,200, comprising the committee's 50% allocation of net proceeds.

- 1. How should the committee disclose the transfer in from Kramer/Costanza Victory Fund?**
- 2. What are the reporting requirements for contributions received from a joint fundraising representative during the 48-Hour Notice period?**
- 3. Is any additional disclosure necessary?**
- 4. Key Issues?**

Scenario #3 Answers:

1. How should the committee disclose the transfer in from Kramer/Costanza Victory Fund?

The funds are coming from Kramer/Costanza Victory Fund, which has been authorized to raise money for the candidate. Therefore, the receipt is treated as a transfer of funds from an authorized committee – not as contributions from individuals. The campaign committee should itemize its net proceeds (the campaign's share of the gross contributions, minus its share of expenses) as a receipt from Kramer/Costanza Victory Fund.

Scenario #3: Joint Fundraising

- ▣ Representative Cosmo Kramer and Senator George Costanza form Kramer/Costanza Victory Fund
 - Split proceeds 50%
- ▣ Event raises \$5,400
 - \$2,700 from two individuals
- ▣ Event expenses were \$1,000
- ▣ Each committee receives \$2,200 from JF



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2. Is any additional disclosure necessary?

Yes. The committee must list the individual contributions contained in the transfer-in from the JFR that meet the itemization threshold using MEMO entries on Schedule A. The MEMO entries should be linked to the transfer (for electronic filers) or appear directly underneath the main transfer entry. This will make it clear which individual contributions made up each transfer in cases where the committee reports multiple JFR transfers. (If unable to link or list individual contributions underneath the main transfer entry, specify the JFR transfer date next to each individual contribution as MEMO text).

Report receipt of transfer from Joint Fundraising Representative (JFR): show reporting on Schedule A for Line 12. The Date of Receipt is the date the campaign receives the net proceeds from the JFR.

Report individual contributors: Show reporting on Schedule A for Line 12 using MEMO entries. The Date of Receipt is the date the JFR received the contribution from the individual; the Amount of Each Receipt this Period is the campaign's full share of contribution (before expenses); also include the notation in the Receipt This Period box indicating, "Kramer/Costanza Victory Fund – Joint Fundraiser."

Scenario #3: Joint Fundraising

**SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS**

Use separate schedule(s) for each category of the Detailed Summary Page

LINE NUMBER: ☒ 11a ☐ 11b ☐ 11c ☐ 11d ☐ 11e ☐ 11f ☐ 11g ☐ 11h ☐ 11i ☐ 11j ☐ 11k ☐ 11l ☐ 11m ☐ 11n ☐ 11o ☐ 11p ☐ 11q ☐ 11r ☐ 11s ☐ 11t ☐ 11u ☐ 11v ☐ 11w ☐ 11x ☐ 11y ☐ 11z

NAME OF COMMITTEE (in Full)
Cosmo Kramer for Congress Committee

Full Name (Last, First, Middle Initial)
Kramer/Costanza Victory Fund

Mailing Address
48 West 77th Street
New York State **NY** Zip Code **10024**

FEC ID number of contributing federal political committee: **C**

Name of Employer: Occupation:
Receipt For: ☒ Primary ☐ General ☐ Other (specify): Election Cycle-to-Date: **2,700.00**

Date of Receipt: **02 / 23 / 2015**

Amount of Each Receipt this Period: **2,200.00**

Joint Fundraising Committee

Full Name (Last, First, Middle Initial)
Lloyd Braun

Mailing Address
340 Amsterdam Avenue
New York State **NY** Zip Code **10024**

FEC ID number of contributing federal political committee: **C**

Name of Employer: Occupation:
NYC Mayor's Office **Chief of Staff**
Receipt For: ☒ Primary ☐ General ☐ Other (specify): Election Cycle-to-Date: **1,350.00**

Date of Receipt: **02 / 20 / 2015**

Amount of Each Receipt this Period: **1,350.00**

MEMO
Kramer/Costanza Victory Fund – Joint Fundraiser

Full Name (Last, First, Middle Initial)
David Puddy

Mailing Address
375 West End Avenue
New York State **NY** Zip Code **10024**

FEC ID number of contributing federal political committee: **C**

Name of Employer: Occupation:
West End Auto Body **Mechanic**
Receipt For: ☒ Primary ☐ General ☐ Other (specify): Election Cycle-to-Date: **1,350.00**

Date of Receipt: **02 / 20 / 2015**

Amount of Each Receipt this Period: **1,350.00**

MEMO
Kramer/Costanza Victory Fund – Joint Fundraiser

Form 3:
Schedule A,
Line 11(a)(i)



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3. Key issues:

Joint Fundraising

- The date of receipt may be different for the JFR and the contributors.
- Report the transaction using Line 12 (Transfers from Other Authorized Committee), not Line 11(a)(i).
- Use MEMO entries to break out contributor itemization.
 - Report gross amount of contribution(s) and include a notation referring back to JFR.
 - Itemize contributions from the original donors making up its share of the gross receipts as MEMO entries on Schedule A (only contributions aggregating over \$200 for the election cycle for the contributor require itemization).
 - Please note that in most cases, the net amount of the transfer in to a participating campaign committee will be less than the sum of the MEMO entries supporting the transfer.
- The JFR pays expenses out of the total funds raised, and then gives participating committees their allocated share of the leftover money.
- Remember, when designating a separate JFR, participating campaign(s) must amend their FEC Forms 1 & 2 to add the JFR as an authorized committee.

48-Hour Notices

- A state-by-state chart of 48-Hour Notice periods for 2014 primary elections can be found on the FEC website at www.fec.gov/info/charts_primary_dates_2014.shtml.
- Must be filed within 48-hours of receipt.
If joint fundraiser, date of receipt = date JFR receives the contribution.
- Where and How to File:
 - **House Committees:** file with the FEC. Electronic filers must file electronically; paper filers may file via fax or online using the FEC website.
 - **Senate Committees:** file with the Secretary of the Senate. File via mail or fax.

Scenario #4: Candidate Loan from Personal Funds



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Candidate Loans from Personal Funds

- ▣ Acceptable sources
 - Assets
 - Income
 - Interest/Dividends
 - Bequests
- ▣ Unlimited amount
- ▣ Repayment and forgiveness options



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Candidate Loans from Personal Funds

- ▣ How do you report loans from personal funds?
 - Schedule A: Receipt of a loan
 - Schedule B: Loan repayments
 - Schedule C: Continuously reporting loans until they are fully paid or forgiven



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Scenario #4 – Candidate Loan from Personal Funds
(Guide, pp. 91 and 109)

On March 10, 2015, Candidate Arthur Fonzarelli generously dips into his “rainy-day” savings account and contributes \$50,000 to his principal campaign committee to give him a head start in his 2016 campaign. He indicates, however, that once money from other contributors comes in, he wishes to be paid back in full by December 31, 2016. He indicates that he does not intend to charge the committee any interest.

- 1. How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**

- 2. How should the committee show a repayment of \$5,000 towards a personal funds loan?**

- 3. How should the committee show the forgiveness of a personal funds loan by the candidate?**

Scenario #4 Answers:

- 1. How should the committee disclose the transaction(s)? Since he treated it as a loan, does it need to be disclosed as a contribution as well?**

Answer: The definition of contribution includes loans, so it must be treated as such; but, as a loan, there are additional reporting requirements. Since it came from the candidate, no contribution limit applies.

The funds are disclosed as a loan from the candidate to the campaign committee. Also, since the candidate is treating this contribution as a loan, the committee must disclose the terms of the loan from the first time it is disclosed.

Report loan as contribution: Show reporting on Schedule A for Line 13(a). The Date of Receipt is the date the money is received by the campaign committee; include notation in Receipt this Period box indicating “personal funds.”

Candidate Loans from Personal Funds

Receipt - Schedule A, Line 13(a)

SCHEDULE A (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
ITEMIZED RECEIPTS				<input type="checkbox"/> 11a <input type="checkbox"/> 12		<input checked="" type="checkbox"/> 13a <input type="checkbox"/> 11b <input type="checkbox"/> 13b <input type="checkbox"/> 11c <input type="checkbox"/> 14 <input type="checkbox"/> 15	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Elaine Benes for Congress							
Full Name (Last, First, Middle Initial) A. Elaine Benes - (Personal Funds)				Date of Receipt M M / D D / Y Y Y Y 03 / 10 / 2015			
Mailing Address 709 Main Street							
City Anytown		State US		Zip Code 12345			
FEC ID number of contributing federal political committee. C				Amount of Each Receipt this Period 50,000.00			
Name of Employer Self		Occupation Editor					
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 2016		<input type="checkbox"/> 50,000.00			



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Report terms of the loan: Show reporting on Schedule C for Line 13(a). The Loan Source is the candidate. Also include notation indicating “personal funds.”

Candidate Loans from Personal Funds

Loan Reporting – Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		PAGE _____ OF _____	
LOANS		Use separate schedule(s) for each category of the Detailed Summary Page	
FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b			
NAME OF COMMITTEE (In Full) Elaine Benes for Congress			
LOAN SOURCE Full Name (Last, First, Middle Initial) Elaine Benes – [Personal Funds]		Election: <input checked="" type="checkbox"/> Primary 2016 <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
Mailing Address 709 Main Street			
City Anytown	State US	ZIP Code 12345	
Original Amount of Loan 50,000.00	Cumulative Payment To Date 0.00	Balance Outstanding at Close of This Period 50,000.00	
TERMS			
Date Incurred M M / D D / Y Y Y Y 03 / 10 / 2015	Date Due M M / D D / Y Y Y Y 12 / 31 / 2016	Interest Rate 0 % (apr)	Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No



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2. How should the committee show a repayment of \$5,000 towards a personal funds loan?

Answer: Show the total amount repaid by the committee to the candidate in the “Cumulative Payment To Date” field. The “Balance Outstanding at Close of This Period” should show only the remaining portion of the outstanding loan (“Original Amount of Loan” – “Cumulative Payment to Date” = “Balance Outstanding at Close of This Period”).

- For candidate loans, repayments of the loan principal should be reported on Line 19(a) (“Repayments of Loans Made or Guaranteed by the Candidate”) of the Detailed Summary Page.
- If the candidate charges interest on a personal funds loan, interest payments should be reported on Schedule B supporting Line 17 (“Operating Expenditures”) of the Detailed Summary Page.
 - Interest incurred but not paid should be disclosed on Schedule D.
- Non-candidate loans made to the committee by a financial institution should be reported on Line 19(b) (“Repayments of All Other Loans”) of the Detailed Summary Page.

Candidate Loans from Personal Funds

Loan Repayment – Schedule B, Line 19(a)

SCHEDULE B (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
ITEMIZED DISBURSEMENTS				<input type="checkbox"/> 17 20a		<input type="checkbox"/> 18 20b	
				<input checked="" type="checkbox"/> 19a 20c		<input type="checkbox"/> 19b 21	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Elaine Benes for Congress							
Full Name (Last, First, Middle Initial)							
A. Elaine Benes – [Personal Funds]				Date of Disbursement			
Mailing Address 709 Main Street				<input type="text" value="03"/> / <input type="text" value="15"/> / <input type="text" value="2015"/>			
City Anytown State US Zip Code 12345				Amount of Each Disbursement this Period			
Purpose of Disbursement Candidate Loan Payment				<input type="text" value="5,000.00"/>			
Candidate Name				Category/Type			
Office Sought:		Disbursement For:		2016			
<input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President		<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)					
State:		District:					



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Candidate Loans from Personal Funds

Loan Repayment – Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		PAGE OF	
LOANS				FOR LINE NUMBER: (check only one)	
				<input checked="" type="checkbox"/> 13a 13b	
NAME OF COMMITTEE (In Full) Elaine Benes for Congress					
LOAN SOURCE Full Name (Last, First, Middle Initial) Elaine Benes – [Personal Funds]				Election:	
Mailing Address 709 Main Street				<input checked="" type="checkbox"/> Primary 2016 <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
City Anytown State US ZIP Code 12345					
Original Amount of Loan		Cumulative Payment To Date		Balance Outstanding at Close of This Period	
<input type="text" value="50,000.00"/>		<input type="text" value="5,000.00"/>		<input type="text" value="45,000.00"/>	
TERMS					
Date Incurred		Date Due		Interest Rate	
<input type="text" value="03"/> / <input type="text" value="10"/> / <input type="text" value="2015"/>		<input type="text" value="12"/> / <input type="text" value="31"/> / <input type="text" value="2016"/>		<input type="text" value="0"/> % (apr)	
Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No					



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3. How should the committee show the forgiveness of a personal funds loan by the candidate?

Answer:

Report candidate forgiveness of the loan: Show reporting on Schedule C for Line 13(a). The “Balance Outstanding at Close of This Period” should be \$0. (Do not include the forgiven loan balance into the total of “Cumulative Payment To Date,” since the money was not actually repaid.)

For electronic filers: Please include Memo Text with your report stating that the candidate forgave the loan.

For all filers: When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven. (Please note that this requirement applies to paper and electronic filers alike. Memo text at the end of an electronically filed report stating that the candidate forgave the loan will not be accepted in lieu of the letter.)

Candidate Loans from Personal Funds

- ▣ Candidate Loan Forgiveness
 - Written, signed letter from candidate
 - Schedules B and C do not show payments
 - Make sure loan ending balance is correct



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Candidate Loans from Personal Funds

Loan Forgiveness – Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3) LOANS		Use separate schedule(s) for each category of the Detailed Summary Page	PAGE OF FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (In Full) Elaine Benes for Congress			
LOAN SOURCE Full Name (Last, First, Middle Initial) Elaine Benes – [Personal Funds]		Election: <input checked="" type="checkbox"/> Primary 2016 <input type="checkbox"/> General <input type="checkbox"/> Other (specify) ▼	
Mailing Address 709 Main Street			
City Anytown	State US	ZIP Code 12345	
Original Amount of Loan 50,000.00	Cumulative Payment To Date 5,000.00	Balance Outstanding at Close of This Period 0.00	
TERMS			
Date Incurred 03 / 10 / 2015	Date Due 12 / 31 / 2016	Interest Rate 0 % (apr)	Secured: <input type="checkbox"/> Yes <input type="checkbox"/> No



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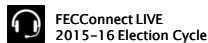
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4. Key issues:

- If the candidate wants to be paid back, be sure to report the receipt as a loan on both Schedule A, Line 13(a) and on Schedule C as an outstanding obligation when the loan is incurred. The loan should be continuously disclosed on Schedule C on subsequent reports until the loan is paid off or forgiven.
- Do not forget loan terms. Terms of a loan from the candidate's personal funds (no lending institution involved) may be more flexible. If there are no terms, do not leave boxes blank, enter "none" or "n/a."
- Include notations on both Schedules A & C indicating "personal funds." When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.

Candidate Loans from Personal Funds

- ▣ Candidate Loans > \$250K
 - Special rules for personal funds loans aggregating >\$250,000 for an election:
 - ✓ The committee may use contributions made on/before election date to repay loan(s) amount: must do so within 20 days of the election
 - ✓ The committee may use contributions made after the election date to repay only up to \$250,000; the rest must be converted to a contribution from the candidate by the 21st day after the election



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Repaying Candidate Loans Aggregating Over \$250,000 after an Election:

There are special rules concerning the repayment of personal loans from the candidate (including advances or candidate endorsed bank loans) that aggregate more than \$250,000 with respect to a given election. The following rules apply:

- The committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the applicable election; and
- The committee may use contributions to repay the candidate only up to \$250,000 from contributions made after the date of the applicable election.
- If the committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of \$250,000, then it must do so within 20 days of the election. During that time, the committee must treat the portion of candidate loans that exceed \$250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate (11 CFR 116.11(c), Advisory Opinion 2003-30).

Scenario #5: Operating Expenditures



Reporting Disbursements

Review

Itemize regardless of amount:

- Transfers to affiliated committees
- Loan repayments
- Loans made
- Contributions made to other federal candidates
- Refunds to other political committees

All other disbursements:

- Itemize once they exceed \$200 in aggregate during an election cycle

Scenario #5: Reporting Disbursements – Operating Expenditures (*Guide*, p. 102) and
Credit Card Transactions (*Guide*, p. 105)

Mr. Newman, Candidate Cosmo Kramer's Treasurer, decided the smartest way for the campaign committee to pay its expenses was for the campaign to have its own credit card. During the period covered by the April Quarterly Report, the card (issued by Citibank VISA, 301 10th Street, Suite 4500, New York, NY 10001) was used to pay the following expenses:

1. \$150 paid to Poppy's Restaurant (located at Broadway and 112th Street, New York, NY 10025) for food brought in for the March 1, 2015, monthly fundraising luncheon. (The campaign has not used this restaurant before in the current election cycle.)
2. \$3,000 paid to Skyway Airlines for a charter flight Candidate Kramer took on March 27, 2015. Skyway is based out of Newark Airport (address: 301 Airport Way, Newark, NJ 07114).

By not paying the credit card bill for a few months, the campaign has incurred an additional \$24.50 in finance charges. On May 29, 2015, the campaign paid off the entire \$3,174.50.

- 1. How should the committee disclose credit card debt?**
- 2. How should the committee properly disclose the credit card payment?**
- 3. Key issues:**

Scenario #5 Answers:

1. How should the committee disclose credit card debt?

Debts and obligations (other than loans) are reported on Schedule D according to the following rules:

- A debt of \$500 or less is reportable once it has been outstanding 60 days from the date incurred (date of transaction, not date bill is received). The debt is disclosed on the next regularly scheduled report.
- A debt exceeding \$500 must be reported in the report covering the date on which the debt was incurred.

Schedule D (outstanding debt): The debt to the credit card company should be disclosed on Schedule D in the same way as any other debts. List the credit card company as the debtor; be sure to reflect the outstanding debt amount at the close of the reporting period.

Please note: no memo entries for specific credit card transactions should be listed on Schedule D.

Schedule D, Line 10:

- Report amount owed as debt until reimbursed if >\$500 or outstanding >60 days
- Do not use MEMO entries on Schedule D – vendors listed on Schedule B when disclosing payment

Credit Card Debt

SCHEDULE D (FEC Form 3) DEBTS AND OBLIGATIONS Excluding Loans		(Use separate schedule(s) for each numbered line)	PAGE 9 OF 10 FOR LINE NUMBER: (check only one) <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10
NAME OF COMMITTEE (In Full) Cosmo Kramer for Congress Committee			
A. Full Name (Last, First, Middle Initial) of Debtor or Creditor Citibank VISA		Nature of Debt (Purpose): Credit card debt	
Mailing Address: 301 10th Street, Suite 4500			
City New York	State NY	Zip Code 10001	
Outstanding Balance Beginning This Period 0.00			
Amount Incurred This Period 3,150.00	Payment This Period 0.00	Outstanding Balance at Close of This Period 3,150.00	



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Schedule B (debt payments): As the committee pays off the debt, report partial or full payments on Schedule B – include MEMO entries to show original transactions making up the amount that is being repaid to the credit card company directly below the entry for payment to the credit card company (or, for electronic filers, link these). See reporting example above.

Note for Electronic Filers: Certain types of electronic filing software may not allow you to include a portion of memo entries underlying each partial payment on a credit card debt on each report where your committee is showing a repayment. For example, your software may only allow you to include all memo entries on the first report where you show a partial payment, but may not allow you to include any memo entries on the next report(s) where you show subsequent repayment(s). In this case, please note so using Memo Text on each report where this applies to avoid Requests for Additional Information from the Reports Analysis Division of the FEC.

2. How should the committee properly disclose the credit card payment?

The committee needs to disclose the payment of charges on the campaign credit card as an operating expenditure.

How to Report:

- **Report credit card payment** on Schedule B for Line 17. Campaign should disclose total payment to the credit card with the Date of Disbursement as the date the committee pays credit card bill.
- **Report itemization of vendor (Skyway Airlines)** on Schedule B for Line 17 as a MEMO entry. The Date of Disbursement is the date of the charter flight; in the Amount of Each Disbursement this Period box, include notation, “Citibank VISA” as a cross-reference to the credit card payment.
- The \$150 payment to Poppy’s Restaurant does not require itemization, as the committee’s payments to this vendor did not aggregate over \$200 in the election cycle.

See Reporting Example on Next Page

**SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) ☒ 18 ☐ 19a ☐ 19b ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (in Full)
Cosmo Kramer for Congress Committee

Full Name (Last, First, Middle Initial)

A. Citibank VISA

Mailing Address
301 10th Street, Suite 4500

City
New York State
NY Zip Code
10001

Purpose of Disbursement
Credit card payment

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☐ Primary ☐ General ☐ Other (specify)

State: District:

Date of Disbursement
05 / 29 / 2015

Amount of Each Disbursement this Period
3,174.50

B. Skyway Airlines

Mailing Address
301 Airport Way

City
Newark State
NJ Zip Code
07114

Purpose of Disbursement
Travel Expense – September Fundraiser

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☐ Primary ☐ General ☐ Other (specify)

State: District:

Date of Disbursement
03 / 27 / 2015

Amount of Each Disbursement this Period
3,000.00

**MEMO
Citibank VISA**

C. Citibank VISA

Mailing Address
301 10th Street, Suite 4500

City
New York State
NY Zip Code
10001

Purpose of Disbursement
Credit card finance charge payment

Candidate Name

Office Sought: ☐ House ☐ Senate ☐ President

Disbursement For: ☐ Primary ☐ General ☐ Other (specify)

State: District:

Date of Disbursement
05 / 29 / 2015

Amount of Each Disbursement this Period
24.50

**MEMO
Citibank VISA**

Credit Card Debt

July Quarterly Report

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3. Key issues:

- Pay attention to the itemization threshold. Take into account previous disbursements to same vendor – keep good records.
- Use MEMO entry for any payee that exceeds the itemization threshold for operating expenses (in excess of \$200 for election cycle). Also include a notation that refers back to the credit card payment as cross-reference. The report should clearly show to which disbursement each memo entry relates.
- Debts owed to credit card company are reflected on Schedule D in the period in which the debt was incurred if amount owed is in excess of \$500; or once it has been outstanding for 60 days if \$500 or less. No MEMO entries on Schedule D.
- When paying credit card debt, disclose payment to credit card company on Schedule B for Line 17, including MEMO entry for any payees making up the amount being repaid to the credit card company.

FEC Resources

- ❑ Website: www.fec.gov ; see Reports Analysis FAQs at <http://www.fec.gov/rad/index.shtml>
- ❑ Toll-free Information Line: (800) 424-9530
- ❑ Email questions to info@fec.gov
- ❑ Educational Outreach:
 - Conferences/Seminars:
<http://www.fec.gov/info/outreach.shtml>
Email: conferences@fec.gov
 - Roundtable Workshops & Webinars
 - E-Learning at fec.gov/info/elearning.shtml



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RAD FAQs Web Page



<http://www.fec.gov/rad/index.shtml>



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